

of 1887, however, when war threatened between France and Germany, led the Swiss banks to almost suspend the granting of credit and called renewed attention to their relative financial helplessness in meeting pressure from France.¹ After various proposals to amend the law of 1851, an amendment was adopted to Article 39 of the constitution, October 28, 1891, authorizing the Confederation to create a central bank under its control. Out of this vote grew the project, of 1896, which authorized a central bank with a capital of 25,000,000 francs, to be provided two-fifths by the cantons and the remainder by the Confederation. It was upon this provision, for creating a state-owned bank rather than a joint-stock bank with private ownership, that the campaign principally turned when the project was submitted to the people by the referendum. The French cantons opposed to the state socialism of the Germans rolled up immense majorities against the project and it was defeated by a vote of 255,984 against 195,744.

The deadlock which thus seemed to be created was not finally ended for more than eight years. Measures for meeting the popular mandate were introduced, however, on the morrow of the referendum, and the subject was carefully studied by various Swiss commercial bodies. A project of law submitted by the Federal Council to the parliamentary committee on March 24, 1899, was abandoned June 28, 1901, because of disagreement over the location of the head office of the bank.² But efforts to reach agreement were not relaxed and finally, after many delays, the law of October 6, 1905, created the Swiss National Bank. Efforts to secure a referendum failed to bring together more than 28,137 signatures out of 30,000 required,³ and on June 20, 1907, the bank entered upon its functions.

The principal task of the Swiss National Bank was declared in its second article to be "to serve in Switzerland as regulator of the money market, to facilitate operations of payment,

* Bouchmil, 58.

² *ibid.*, 79.

³ *Contrôles des Billets de Banque*, 1905, 26.